NCA
VOC FOR IOP/FN
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JOHN BUE/PARIS

ONE DIALOGUE -- FOUR COMMISSIONS
PART 4: FINANCIAL MATTERS

(EDITORS NOTE: COMMISSIONS BEGIN MEETING IN PARIS, FEB. 11)

ANNCR:

THE DIALOGUE BETWEEN INDUSTRIALIZED AND DEVELOPING NATIONS ON FUTURE WORLD ECONOMIC RELATIONSHIPS WHICH HAS JUST STARTED IN PARIS IS TAKING PLACE WITHIN FOUR SPECIALIZED COMMISSIONS. THE FINANCIAL COMMISSION DEALS WITH MATTERS RELATED TO THE WORK OF THE THREE OTHER COMMISSIONS ON ENERGY, RAW MATERIALS AND DEVELOPMENT. VOA'S JOHN BUE HAS THIS BACKGROUND REPORT.

VOICE:

THE FINANCIAL COMMISSION IS CHAIRED BY THE COMMON MARKET AND IRAN, AND LIKE THE OTHER THREE COMMISSIONS, WILL HAVE TO SET UP ITS OWN WORK PROGRAM. ON FINANCIAL MATTERS RELATED TO ENERGY, THE UNITED STATES AND OTHER OIL CONSUMERS WANT TO DISCUSS THE FINANCIAL CONSEQUENCES OF ENERGY PRICES. THE NON-OIL PRODUCING NATIONS SAY THEY WANT THEIR ENERGY SUPPLY PROBLEMS STUDIED IN THE LIGHT OF THEIR BALANCE OF PAYMENTS DIFFICULTIES. THESE RESULT FROM BOTH WORLD INFLATION AND THE FIVEFOLD INCREASE IN OIL PRICES.

U.S. SECRETARY OF STATE KISSINGER TOLD THE UNITED NATIONS SPECIAL SESSION ON DEVELOPMENT LAST YEAR THAT THE ENORMOUS RISE IN THE COST OF OIL IN THE PAST TWO YEARS HAS MORE THAN WIPED OUT THE TOTAL FOREIGN AID THAT DEVELOPING NATIONS HAVE RECEIVED. IT HAS UNDERMINED THEIR BALANCE OF PAYMENTS AND FORCED THEM TO BORROW BEYOND THEIR MEANS. THERE IS NO RAPID SOLUTION TO THIS PROBLEM, SECRETARY KISSINGER

INDICATED, AND NEW SOURCES OF ENERGY MUST BE DEVELOPED. ALSO ON ENERGY, THE UNITED STATES AGREES TO DISCUSSIONS ON INTERNATIONAL INVESTMENTS, INCLUDING THE PLACEMENT OF SURPLUS OIL FUNDS. OPEC NATIONS WANT GUARANTEES FOR THEIR INVESTMENTS IN DEVELOPED NATIONS SIMILAR TO THOSE SOUGHT BY INDUSTRIALIZED COUNTRIES -- GUARANTEES OF COMPENSATION IN CASE OF NATIONALIZATION FOR EXAMPLE.

ON RAW MATERIALS EXPORT EARNINGS, STABILIZATION IS A MAJOR ISSUE RECOGNIZED BY BOTH PARTIES IN THE DIALOGUE.

ON DEVELOPMENT, THERE IS GENERAL AGREEMENT ON THE NEED TO DISCUSS INCREASED INVESTMENTS IN DEVELOPING NATIONS AND THE FINANCING OF FOOD IMPORTS AND INCREASED AGRICULTURAL PRODUCTION. THERE ARE OTHER PARALLEL APPROACHES TO THE COMMISSION'S WORK INCLUDING THAT AN INCREASE IN THE RESOURCES OF THE WORLD BANK, THE INTERNATIONAL DEVELOPMENT ASSOCIATION, THE INTERNATIONAL FINANCE CORPORATION, AND SEVERAL UN BODIES. THERE ARE ALSO PROPOSALS FOR THE CREATION OF A TRUST FUND, FINANCING FACILITIES TO MEET EXPORT SHORTFALLS AND SPECIAL MEASURES IN FAVOR OF THE LESS-FAVORED NATIONS.

THE DOCUMENT SUBMITTED BY THE NINETEEN OPEC AND DEVELOPING NATIONS LISTS SEVERAL OTHER ISSUES FOR DISCUSSION. THESE INCLUDE SUCH GENERAL MATTERS AS THE SOFTENING OF LOAN TERMS AND DEBT RESCHEDULING, THE ESTABLISHMENT OF A LINK BETWEEN ALLOCATION OF SPECIAL DRAWING RIGHTS AND DEVELOPMENT ASSISTANCE, FREE ADDITIONAL LIQUIDITY FOR DEVELOPING NATIONS IN IMF, THE INTERNATIONAL MONETARY FUND, A MORE STABLE CURRENCY SYSTEM AND GOLD TO BE SUPPLANTED BY SDRS OR SPECIAL DRAWING RIGHTS IN THE INTERNATIONAL MONETARY

SYSTEM. THE GUIDELINE FOR THE FINANCIAL COMMISSION, APPROVED BY THE TWENTY-SEVEN NATIONAL MINISTERIAL CONFERENCE WHICH SET UP THE DIALOGUE LAST YEAR, SPECIFICALLY STATES IT WILL DISCUSS ALL FINANCIAL PROBLEMS, INCLUDING THE MONETARY ASPECTS OF THE WORK OF THE THREE OTHER COMMISSIONS. THE GUIDELINE ALSO SPECIFIES THAT THE DISCUSSION MUST RESPECT THE JURISDICTION OF INTERNATIONAL INSTITUTIONS SUCH AS THE INTERNATIONAL MONETARY FUND AND THE WORLD BANK.

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